

LOSS PREVENTION

SPOTLIGHT

August 2001

FOCUSING ON LOSS PREVENTION INFORMATION FOR STATE AGENCIES

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Governor appoints task force

State agencies provide a wide array of services to the public, including social services, transportation, law enforcement, recreation and general government services. In providing such services, it is the goal of state government to promote public safety and avoid injury or harm to its citizens.

In recent years, state tort payouts have increased dramatically. Not only does this cause concern over human costs and how services are delivered, but it also requires liability funding that significantly affects the state's budget at a time when increasing demands are coupled with severe resource constraints.

In March, Washington Governor Gary Locke and Attorney General Chris Gregoire formed the Washington Risk Management Task Force, to look at the tort liability issue. The Task Force was formed to ensure that the state delivers services in a manner that best protects its citizens from harm or injury. Another goal is for the state to engage in the most effective risk management possible, given the difficult program and service areas that state government manages.

The Task Force has now completed its review and prepared draft recommendations. It will meet September 26, 2001 to present the report and draft recommendations to Governor Gary Locke and Attorney General Chris Gregoire. The draft recommendations can be reviewed at the Office of Attorney General web site at www.wa.gov/ago/riskmanagement under documents. See the back page for a list of task force members.

FAST FACTS:

In FY 2001 there were 3,943 claims filed with the State of Washington's Office of Risk Management.

Did you know?

During fiscal year 2001, the State paid \$85.4 million on its tort claims. Of that amount, \$62.4 million was paid on just 10 claims. Less than 1 percent of the claims paid accounted for 73 percent of all payments made during this period.

Commercial Insurance UPDATE

Master property renewals completed in July 2001

The master property policy has been renewed with less coverage than last year at a higher cost. A memo was sent out to agencies explaining the renewal on July 31, 2001. The earthquake and flood deductible have been increased to 2% subject to a \$250,000 minimum, and the rate is .0848 per 100 of value (replacement cost value divided by 100 multiplied by .0848 = annual premium). To obtain a copy of the memo explaining the coverage, contact Carole Mathews at 360-902-7301.

Nisqually Earthquake - FEMA

FEMA is enforcing the insurance requirements of the Stafford Act. If state agencies are planning on accepting FEMA assistance, they will be required to sign the Commitment to Purchase Insurance form when the project is approved. FEMA will not notify the agency of the insurance requirements for each building until the repair work is completed. For more details on the procedure for obtaining insurance or requesting an exemption from the insurance requirements, contact Carole Mathews, 360-902-7301 or visit GA's web page: www.wa.gov/quake/FEMA.html

See "Update" on the back



Washington State Department of
General Administration



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Office of Risk Management

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Update (cont.)

Is your agency covered under the master property policy?

Insurance companies have agreed to accept approved FEMA Project Worksheets as documentation of the cost of repair for earthquake losses covered by the Master Property Policy. The approved worksheet should be sent to ORM as soon as possible so that they can work with the claims adjuster to obtain a progress payment from the insurers. Contact Carole Mathews for assistance or questions (360-902-7301).



Customer Support

The state vehicle accident report form (SF 137), that provides vehicle accident information to the Office of Risk Management, is available on the Motor Pool web site. We hope you find the improved online form convenient and helpful. The Motor Pool web address is www.ga.wa.gov/mp

Exposure must be recognized to be treated

Identification and analysis of exposure to loss is an important element of the risk management process. Exposures to loss may develop from the regulatory responsibilities, the facilities or the activities of the agency or its employees. These exposures can be broken down into five broad categories:

- Liability for damage to the property of others or personal injury to others
- Loss to state-owned real and personal property
- Injuries to agency employees
- Environmental exposures
- Loss of net income or revenue

In addition to routine exposures, an agency may have unusual risk that needs to be reviewed on a regular basis. For example, specialized assessments may be needed for unusual or unique exposures such as medical malpractice or college athletic programs.

ORM developing agency loss profile reports

Ever wish for easy-to-interpret loss trending data for evaluating the agency's risk management track record? The Office of Risk Management can help. ORM has developed a package of twelve data reports that "profile" an agency's overall loss history trends. Recognizing the need to encourage all agencies to monitor their loss trends, the Loss Prevention Sub-Committee (part of the Risk Management Advisory Committee or RMAC) requested that a profile of an agency's losses in graph rather than detailed reports be created.

The profile report package includes reports that show a comparison of general liability to auto liability claims, plus accident causes and types shown by frequency of claims and severity of claims for the agency. A "benchmarking" feature of these reports is provided with a side-by-side comparison of the agency specific information to *statewide* information for the same category and timeframe. In addition to providing comparison data for larger agencies, the statewide data charts will be a valuable tool for informing smaller agencies (with less loss exposure and minimal to no claims experience) about general statewide loss trends.

To find out more about the loss prevention profile reports, contact Jolene Bellows at (360) 902-7312 or e-mail at jbellow@ga.wa.gov.

15 passenger vans – what colleges and universities are doing about them

A recent article on the front page of the local newspaper discussed the rollover potential of 15-passenger vans.

The following are a few steps colleges and universities are taking to increase the safe operation of these vehicles for the protection of students and faculty traveling in them.

1. Requiring training for all 15-passenger van drivers.
2. Removing all luggage racks on top of the van.
3. Limiting the number of passengers.
4. Removing the rear seat.
5. Having "relief drivers" driving two-hour shifts between the hours of 11:30 p.m. and 5:30 a.m. or during inclement weather.

Task Force Membership

Sponsors: Governor **Gary Locke** and Attorney General **Christine Gregoire**

Co-Chair: **Christine Gregoire**, Attorney General

Co-Chair: **Sue Donaldson**, Daniel J. Evans School of Public Affairs and the Law School, University of Washington

Member: Representative **Gary Alexander**

Member: Senator **Betti Sheldon**

Member: Senator **Jeralita Costa**

Member: **Marty Brown**, Director, Office of Financial Management

Member: **Joe Lehman**, Secretary, Department of Corrections

Member: **Dennis Braddock**, Secretary, Department of Social and Health Services

Member: **Marsha Tadano Long**, Director, Department of General Administration

Member: **Bill Henselman**, Risk Manager, Department of Transportation

Member: **William B. Reisbick**, Systems Director, Risk Management of Providence Health System

Member: **Dick Thompson**, Director of Government Relations, University of Washington

Member: **Kim Abel**, President, Kitsap County League of Women Voters

Member: **Janet Rice**, Attorney - Schroeter, Goldmark & Bender, P.S.

Member: **Peter Ehrlichman**, Attorney - Foster Pepper

Attention Readers

This is your newsletter and we would like to hear from you on what you would like to see in future editions.

Contact us with your ideas and comments at: riskmanagement@ga.wa.gov